Navy Mutual Aid Association

Since 1879

SURVIVOR/DISABILITY ENTITLEMENTS & BENEFITS PRESENTATION

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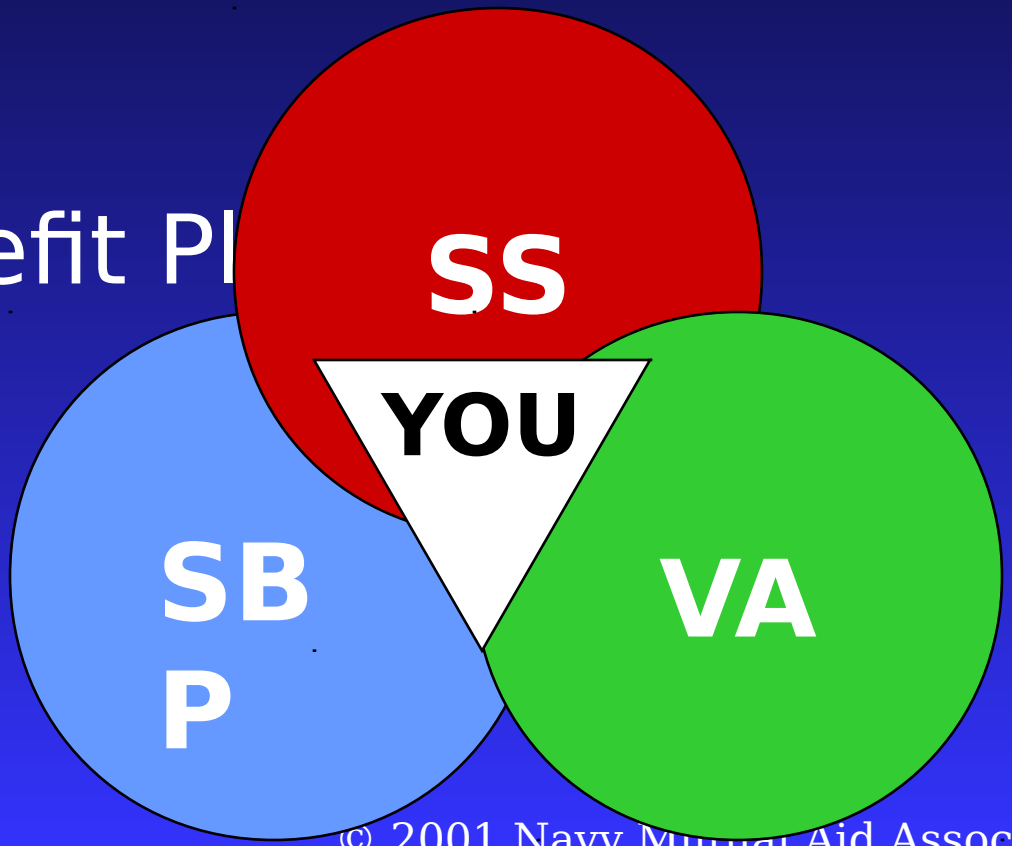
This Talk Ties Together The Survivor Benefits From:

- Social Security
- Veteran's Administration
- Survivor Benefit Pl



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NMAA RESOURCE CD

- NMAA Handbook
- Department of Veterans Affairs Benefits
- Social Security Information
- SBP Information
- Casualty Assistance Information

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Navy Mutual Aid Association

Since

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Provide Financial Counseling

Secretary of the Navy
&
Commandant of the Coast Guard

Approved Financial Counselor For Members and Non-Members

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NMAA Mission

- Government Entitlements Education
- VA Claims Assistance
- Financial Counseling
- SBP Decisions
- Terminal Illness Financial Alternatives
- Valuable Document Storage

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SGLI

- Pure Term Insurance
- $250,000 Maximum (Automatic)
- $0.65/$10,000/Month by Payroll Deduction
- No Refunds
- Spouse & Children$100K/ $10K(Automatic)

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VGLI

- Available in Increments of $10,000
- Max Coverage is SGLI Amount
- Accelerated Death Benefit Option
- Beneficiary Financial Counseling Service
- Renewable at Five Year Intervals
- Convertible to Permanent Insurance

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VGLI

Monthly Premiums for $250,000 Maximum Coverage

Under 30	30 +	35 +	40 +
$20	$28	$35	$48

45 +	50 +	55 +	60 +
$63	$100	$175	$279

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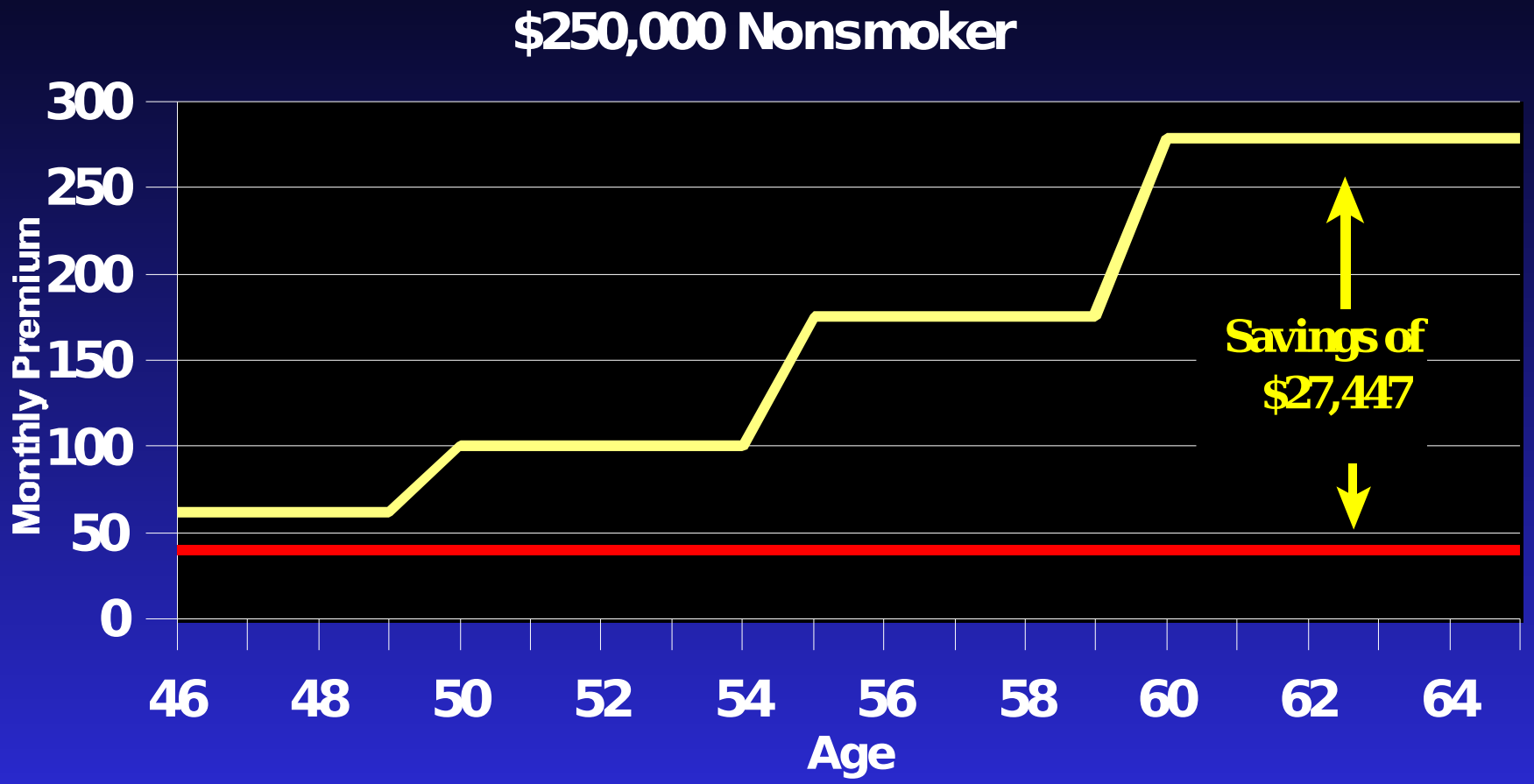
VGLI vs Level Term



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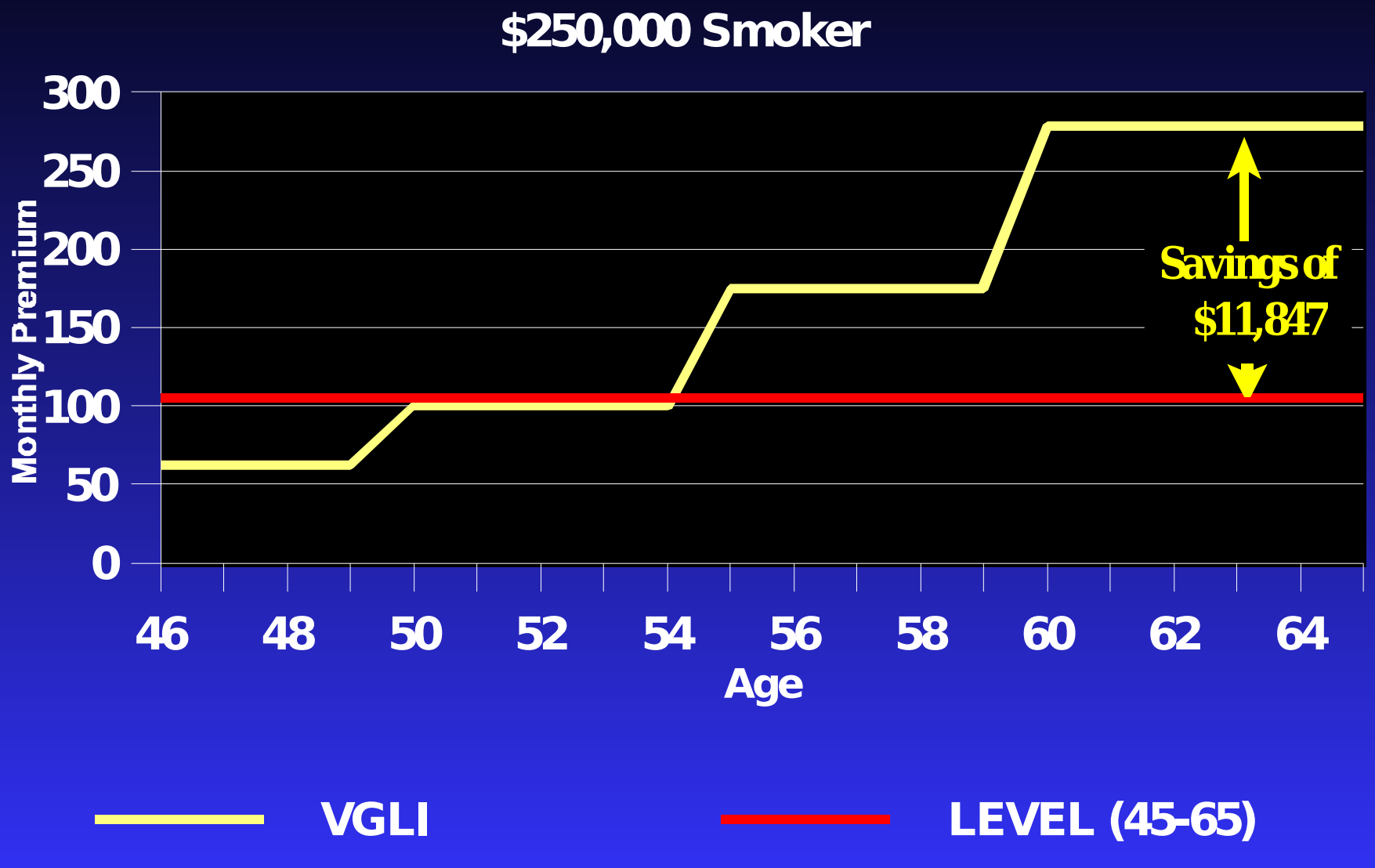
VGLI vs Level Term



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VGLI

- Available in Increments of $10,000
- Max Coverage is SGLI Amount
- Accelerated Death Benefit Option
- Beneficiary Financial Counseling Service
- Renewable at Five Year Intervals
- Convertible to Permanent Insurance
- No Proof of Medical Insurability
- Up to 120 Days to Elect

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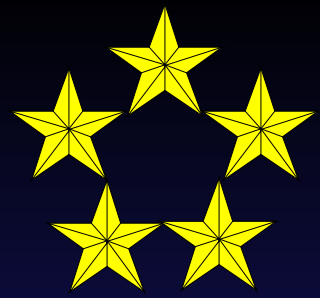

Social Security

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Federal Insurance Contribution Act (FICA)

		Month
E-1	----------	$ 91
E-5	----------	$163
E-9	----------	$338

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Federal Insurance Contribution Act (FICA)

		Month
O-1	----------	$173
O-4	----------	$412
O-6	----------	$588

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S.S. TAXES
on Earned Income

Soc. Sec. Tax - *6.20%* of $87,900

Medicare Tax - *1.45%* Of ALL Earned Income

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Social Security Eligibility

Fully Insured 40 Qtrs

Currently Insured 6 Qtrs

1Qtr = $900

Limited to 4 Qtrs per year

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Social Security Primary Insurance Amount (PIA)

E- 6 - Age 30 - $1096

E- 9 - Age 45 - $1439

O- 5 - Age 45 - $1738

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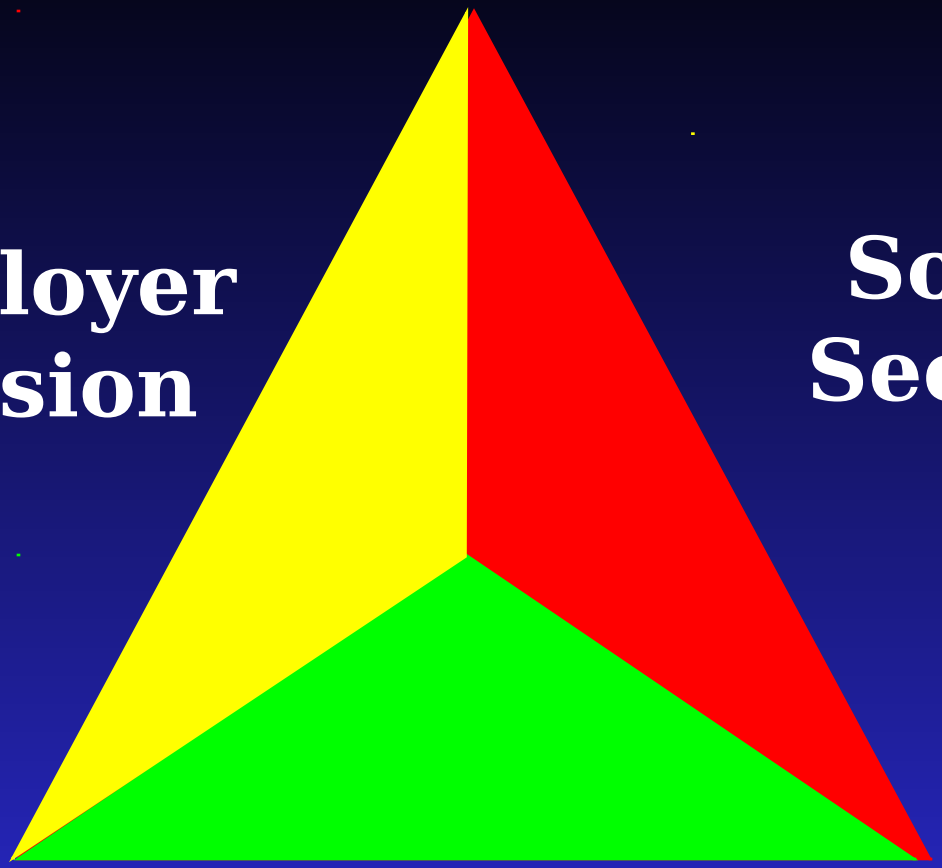
Retirement Planning Triad



60% - 80% of Final Salary to Maintain

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Military Thrift Savings Plan

- Up to 9% of Military Pay in 2004 -Tax Deferred
- Up to 10% of Military Pay by 2005. Unlimited Thereafter
- Not to Exceed $13,000 in 2004. Up to $15,000 by 2006.
- Up to 100% of Bonuses, Special or Incentive Pays
- In a Combat Zone, Up to 25% of Military Pay or $40,000, Whichever is Less
- Several Investment Options

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Thrift Savings Plan - TSP

- G Fund - Government Securities
- F Fund - Fixed Income Index (Bonds)
- C Fund - Common Stock Index (S&P 500
- S Fund - Small Cap Stock (Wilshire 4500
- I Fund - International Stock Index (EAFE)

Very Low Expense Fee-Only .05%

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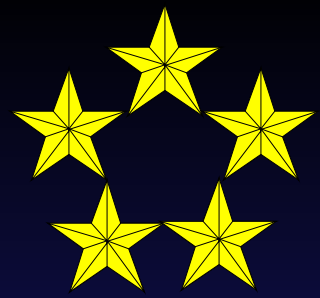
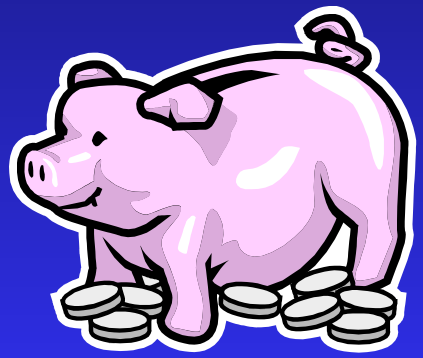
TAX ADVANTAGED SAVINGS OPPORTUNITIES



- I. Individual Retirement Accounts (IRA)
  - 2004 $3,000
  - 2005-2007 $4,000
  - 2008-2009 $5,000 (INDEXED FOR INFLATION)

- II. Thrift Savings Plan/ 401K Plans
  - 2004 9.0% $13,000
  - 2005 10.0% $14,000
  - 2006 NO LIMIT $15,000



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PIA x Factor

Provides
$ Per Month
For

Survivors **Disabled** **Retired**

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Social Security: Full Retirement Age

Birth Year	Full Ret. Age -Year
1937 & Prior	65
1938 - 1942	Plus 2 mos/ year
1943 - 1954	66
1955 - 1959	Plus 2 mos/year
1960 - Later	67

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PIA x Factor

Provides $ Per Month For

Survivors **Disabled** **Retired**

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Disability Facts:

- Disability must last 1 year
  - 5 month waiting period
- Cannot receive other income
  - $810 per month limit
  - Workers Compensaion may reduce benefits
    - Doesn’t include veteran’s benefits
- PIA Factors
  - 100% individual
  - 150% max per family
- 9 month trial return to work

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PIA x Factor

Provides
$ Per Month
For

Survivors **Disabled** **Retired**

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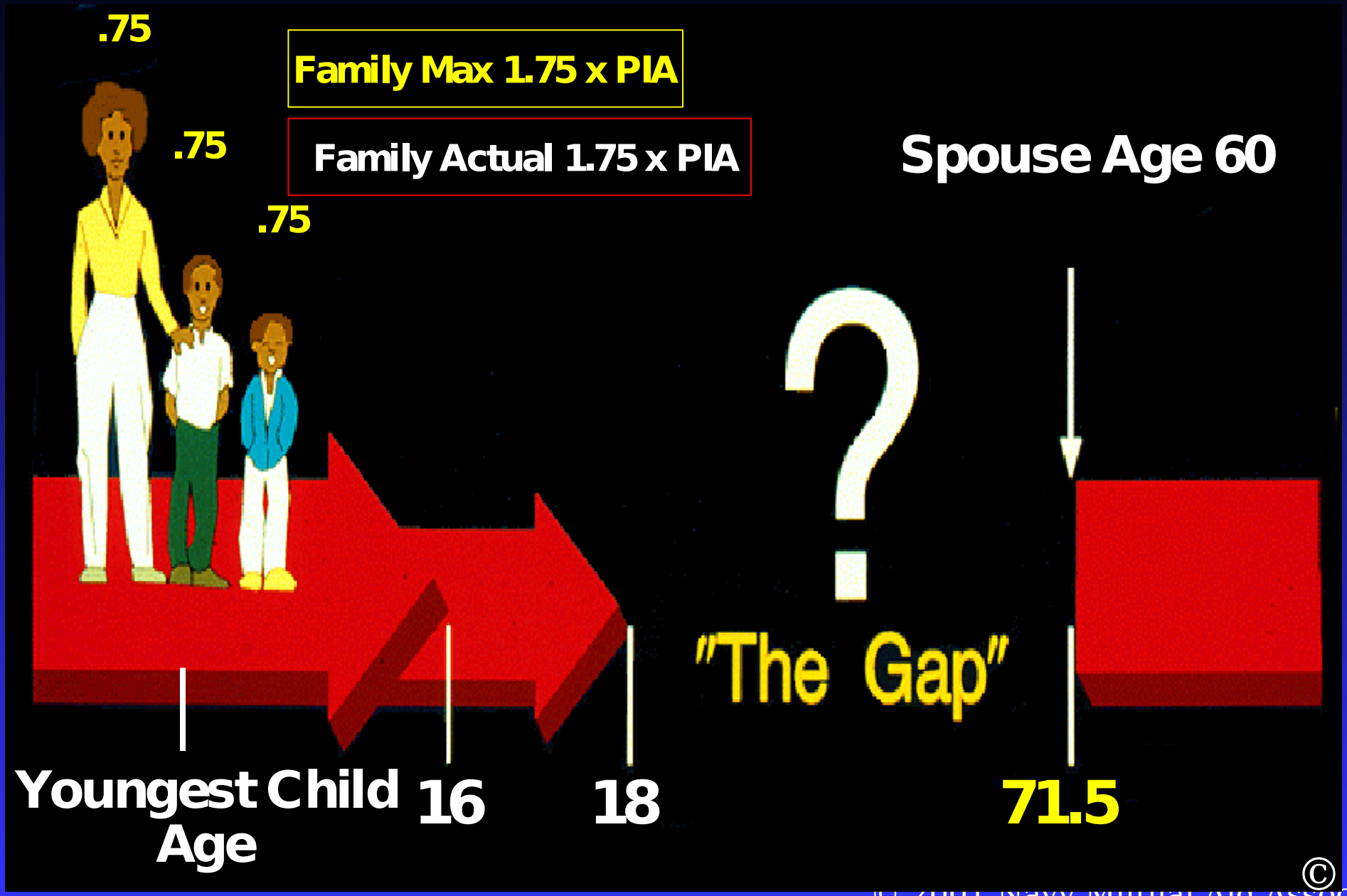
Survivor Social Security Benefits



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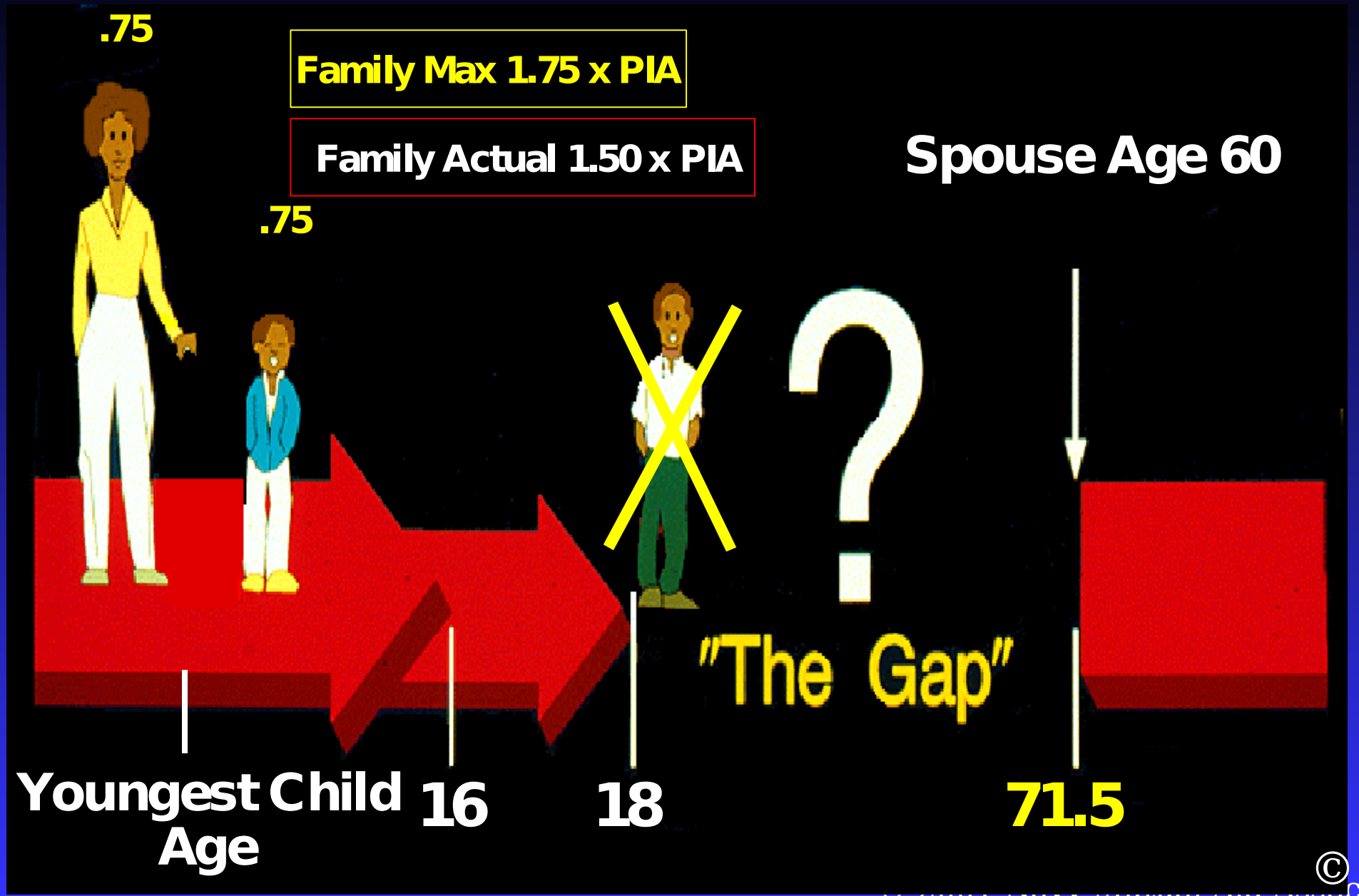
Survivor Social Security Benefits



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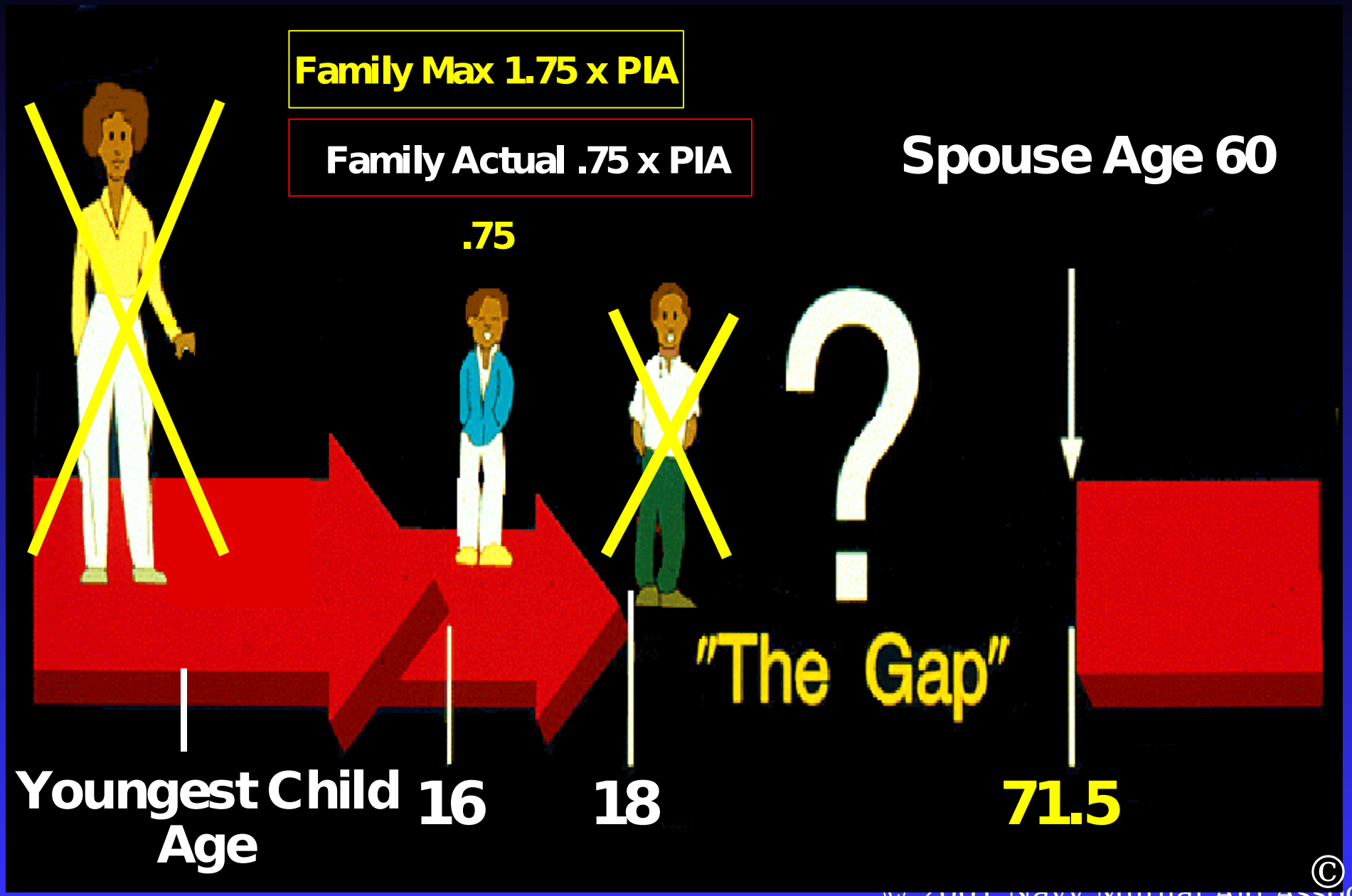
Survivor Social Security Benefits



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Cutest “GAP” coverage

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Types of Life Insurance

Term

Permanent

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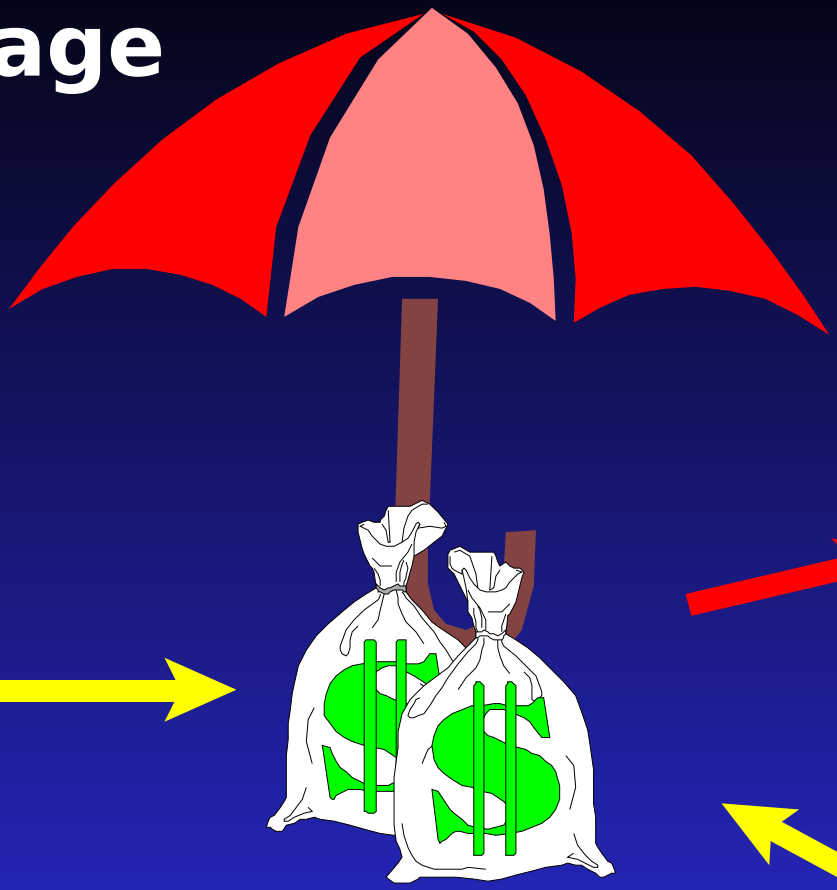
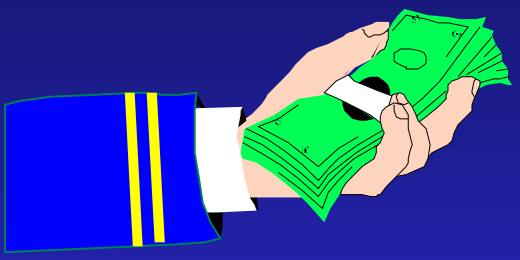
Permanent Death Benefit Coverage

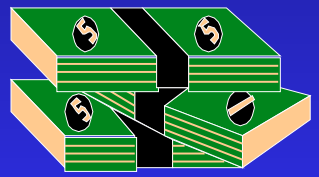


Mortality & Administrative Charges



Premium

Cash Value



Interest

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Interest Sensitive Whole Life Insurance Illustration

Name: John Q. Member **Initial Coverage:** $100,000

Age: 35, Nonsmoker

20 Pay

End of			Guaranteed Amounts		Projected Amounts At 7.00%			
Age	Year	Annual Premium	Cash Value	Death Benefit	Cash Value	Death Benefit		
36	1	1,112	1,112	100,000	1,112	100,000		
40	5	1,112	5,562	100,000	5,747	100,443		
45	10	1,112	11,162	100,000	13,945	101,272		
55	20	1,112	32,759	100,000	39,920	104,088	80	45
071,034	100,000	161,655	203,179					
100	65	0	100,000	100,000	475,446	475,446		

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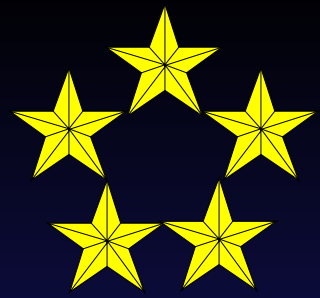

SBP

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Survivor Benefit Plan (SBP)

Percentage of Retirement Pay Received by the Survivors of a

Active Duty Member

(Considered as 100% Disabled Retired)

OR

Retired Service Member

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SBP Pays

.55 x Base Amount In $ Per Month

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Effective 1 October 1985

Two Tiered

.55 X Base

.35 X Base

62 Spouse Age

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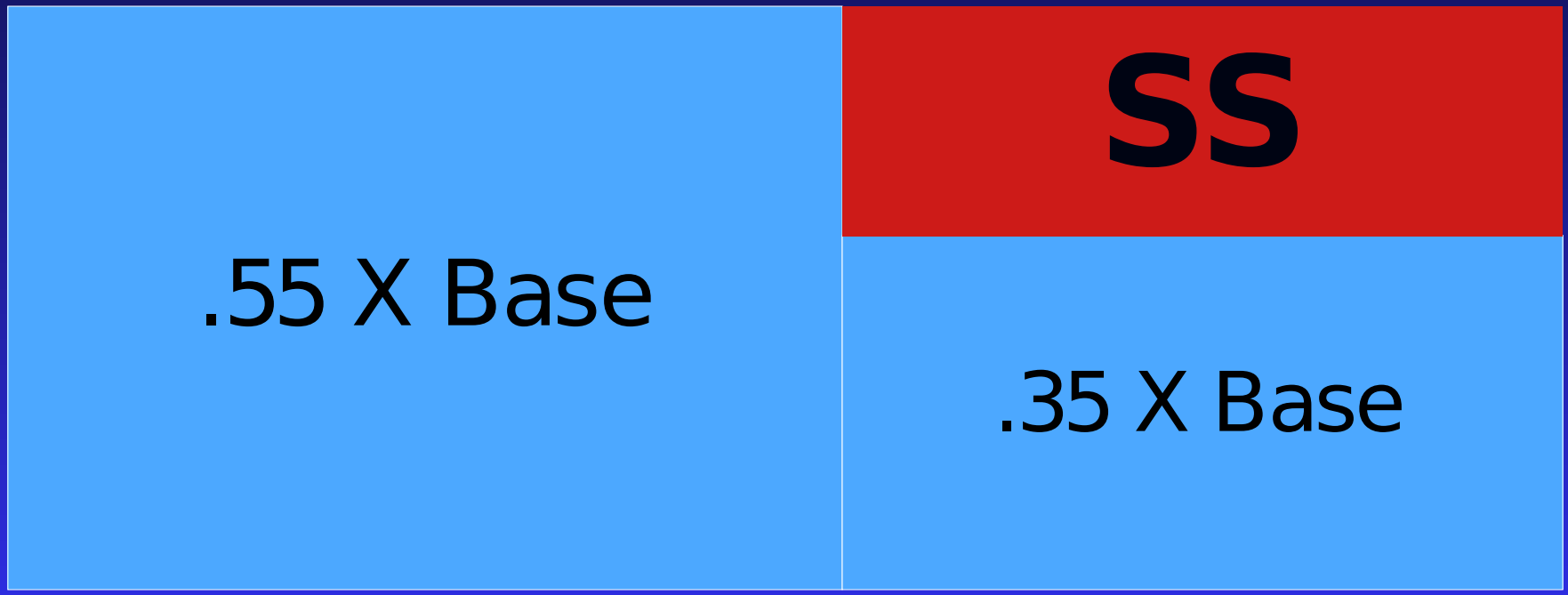
Effective 1 October 1985 - Two Tiered



62 Spouse Age

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SBP Cost

.065 x Base Amount In $ Per Month

NonTaxable

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SBP Net Cost

Tax Bracket	Net Cost per $1000 of Base Amount
0%	$65.00
10%	$58.50
15%	$55.25
25%	$48.75
28%	$46.80
30%	$43.55
35%	$42.25

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SBP Beneficiary Options

- Spouse Only

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SBP Beneficiary Options

- Spouse Only
- Spouse & Child

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SBP Child Coverage Cost / $1,000

Retiree 40,

Spouse 38,

Youngest Child

Spouse and Child

$65.00 + $0.56 = $65.56

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SBP Beneficiary Options

- Spouse Only
- Spouse & Child
- Child Only

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SBP Child Coverage Cost / $1,000

Retiree 40, Youngest Child 10

Child Only

$3.50

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SBP Beneficiary Options

- Spouse Only
- Spouse & Child
- Child Only
- Former Spouse
- Former Spouse & Child
- Insurable Interest

★One Election Per Member

★

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Effective 1 March 1986 Spouse Concurrence Required

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Survivor Benefit Plan Facts

- Decision Revocable
  -Between 2nd - 3rd Year
- Paid-Up After 30 Years and Age 70
- Cease Paying Premium
  - Children No Longer Eligible
  - Lose Spouse (Death or Divorce)
- Pay with Tax Exempt Dollars
- Beneficiary Income Taxed
- Indexed to Retiree COLA

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Survivor Benefit Plan Facts

- Remarriage of Surviving Spouse
- Remarriage of Retiree

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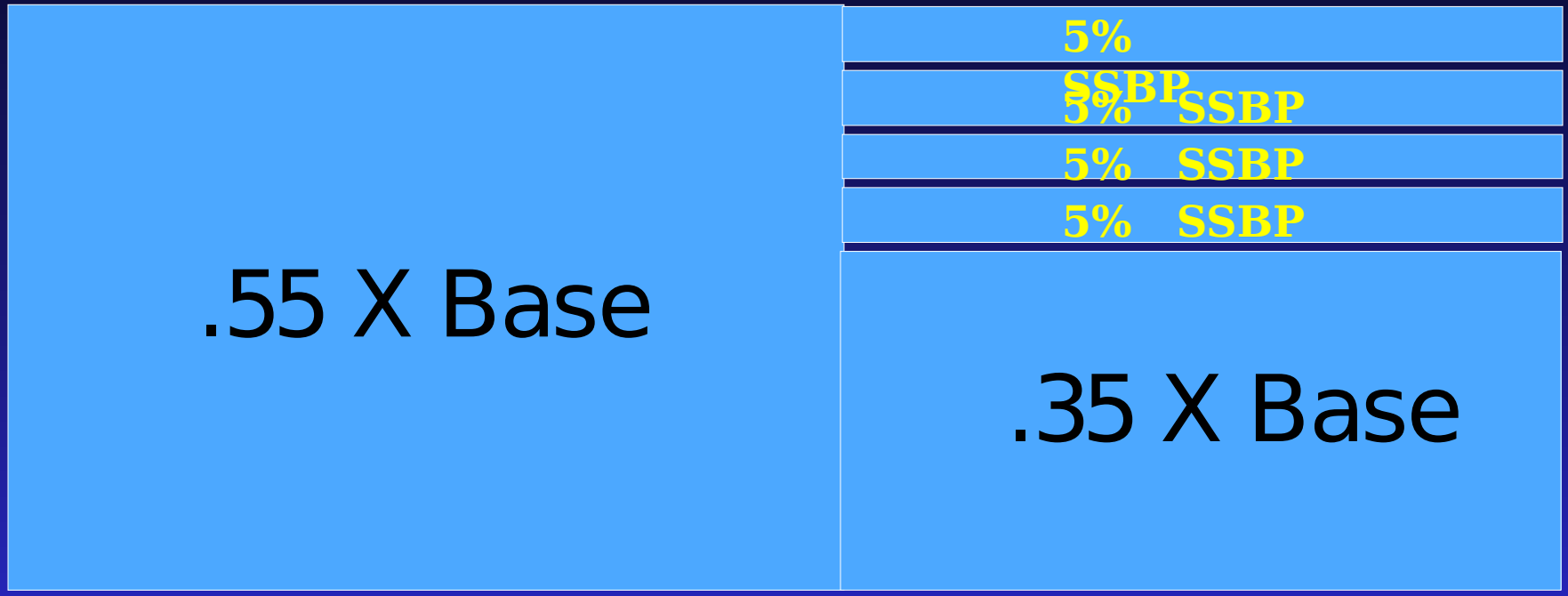
Supplemental SBP



62 Spouse Age

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Supplemental SBP (45 YO Retiree)

- Basic SBP at Full Retired Pay
- Up to 4 SSBP Units

SBP Units	Post -62 Benefit % of Base Amount	Total Cost % of Base Amou
1	40	7.60
2	45	8.70
3	50	9.80
4	55	10.90

- Cost is Significant
  1.10% per SSBP unit

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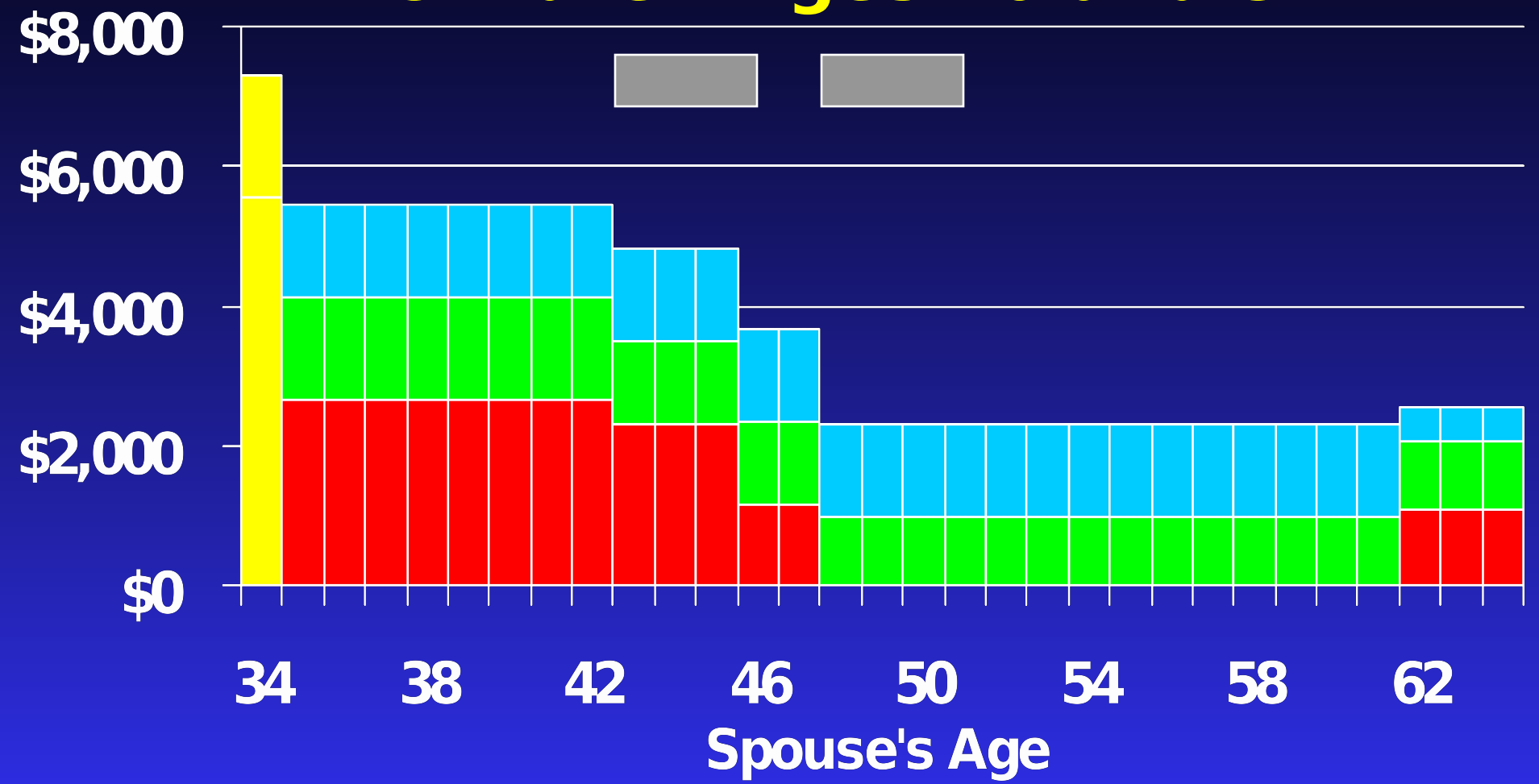
Death On Active Duty

O-4, Age 37, Spouse Age 35
Children Ages 10 and 5



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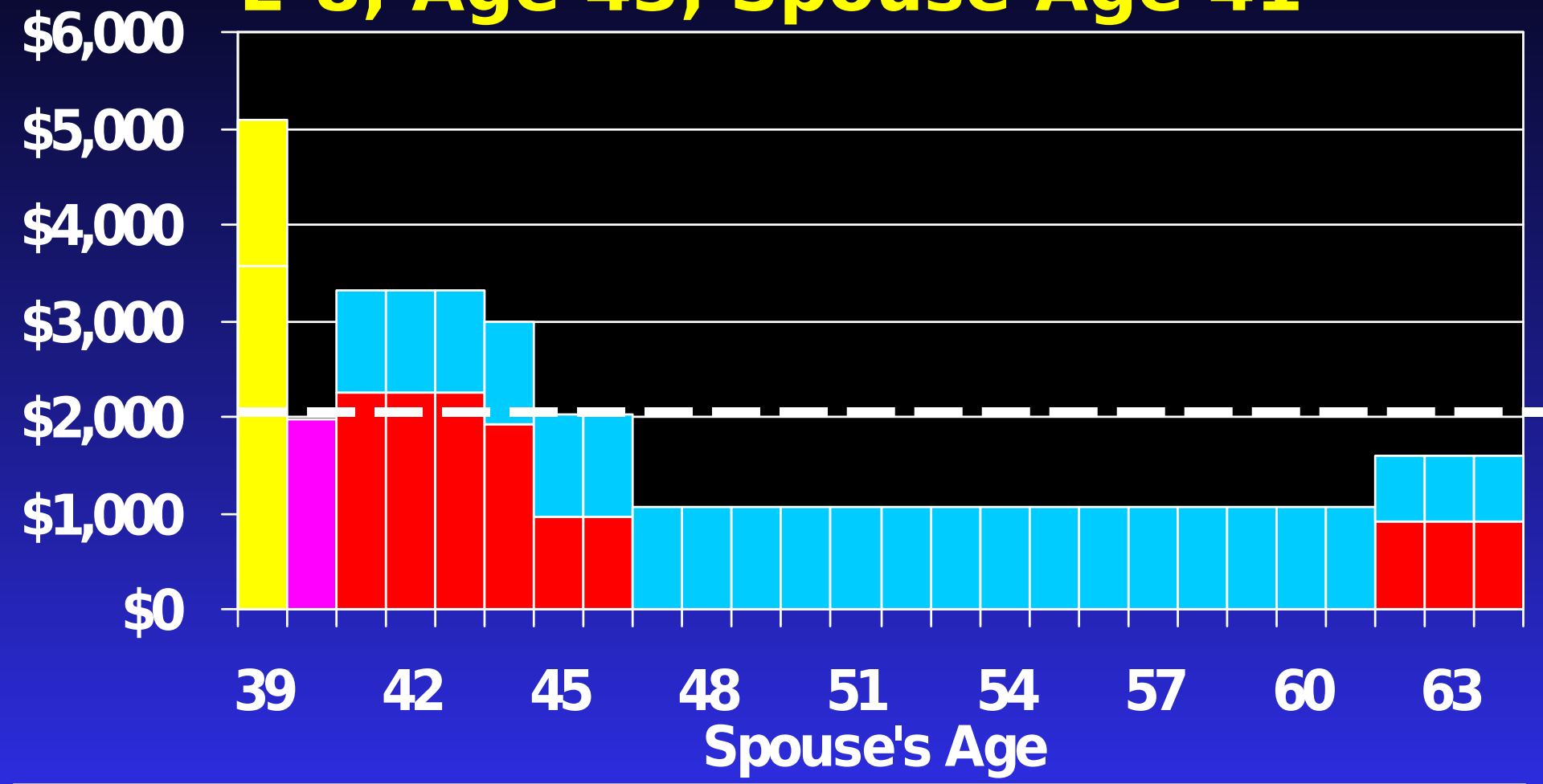
Death In Retirement, Not Service Connected

E-8, Age 43, Spouse Age 41



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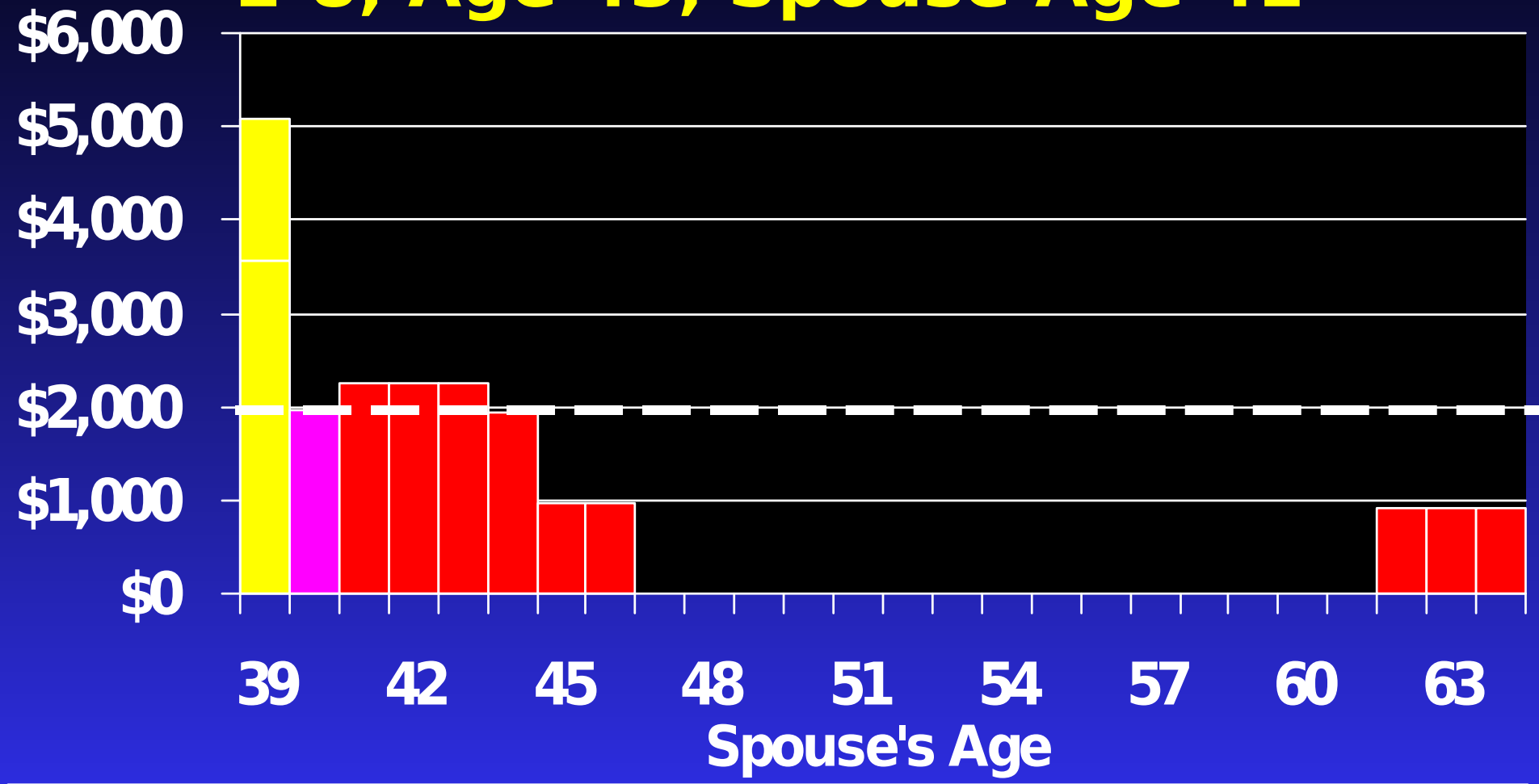

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SBP Decision Process

- Life Expectancy
- Savings & Investments
- Insurance
- Spouse Self Support Capability
- Inheritance
- Alternatives - Guarantees & Cost

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Requesting Information Online

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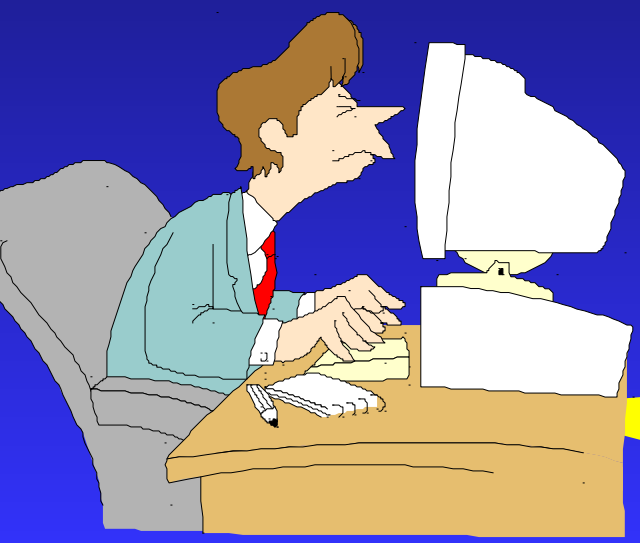
- NMAA Info
- Baseline
- Special Requests
- Related Web Sites
  - Financial Calculators
  - Life Insurance
  - Mortgage
  - Education
  - Retirement



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Since 1879

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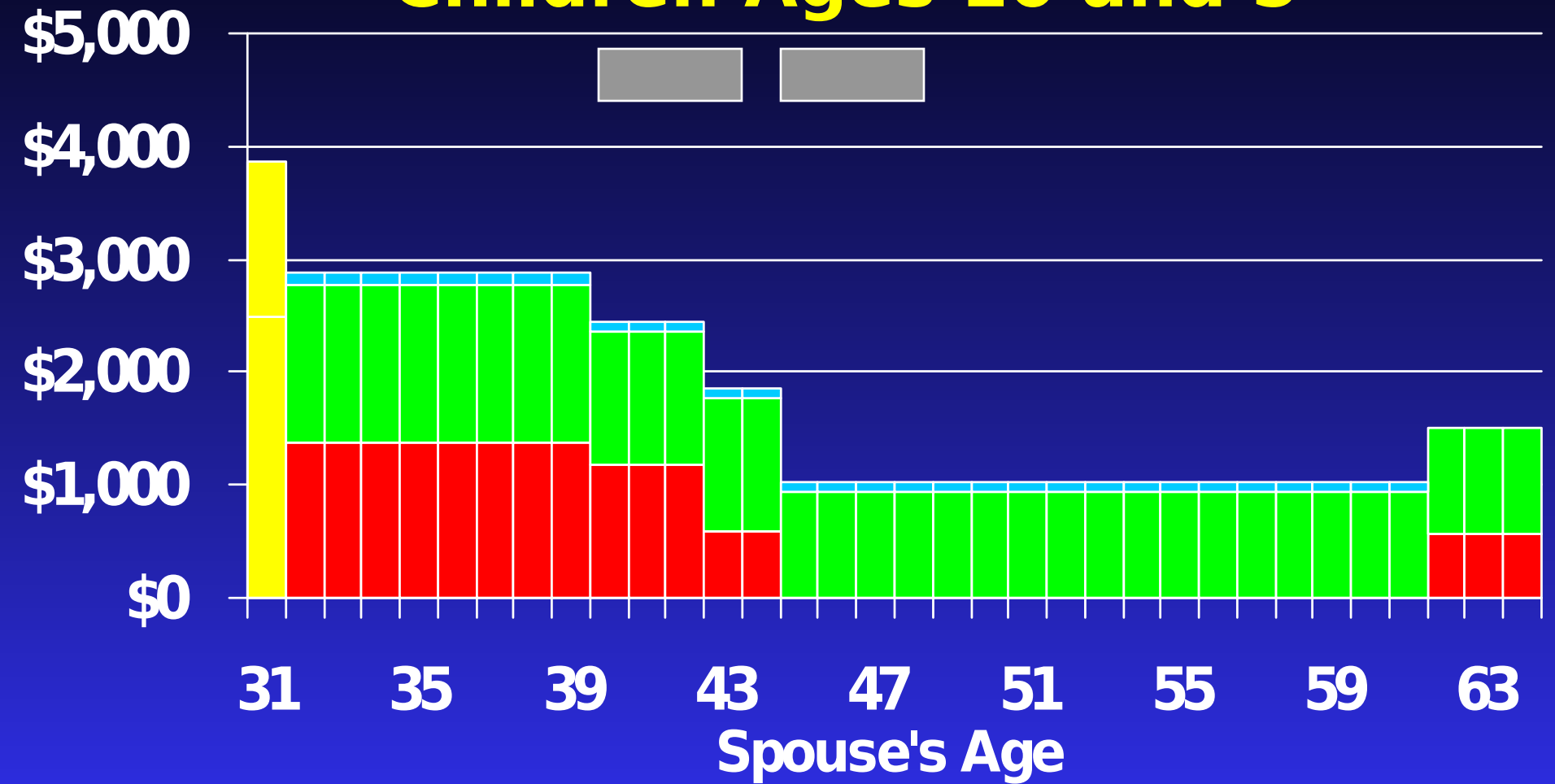
Death On Active Duty

E-6, Age 34, Spouse Age 32
Children Ages 10 and 5



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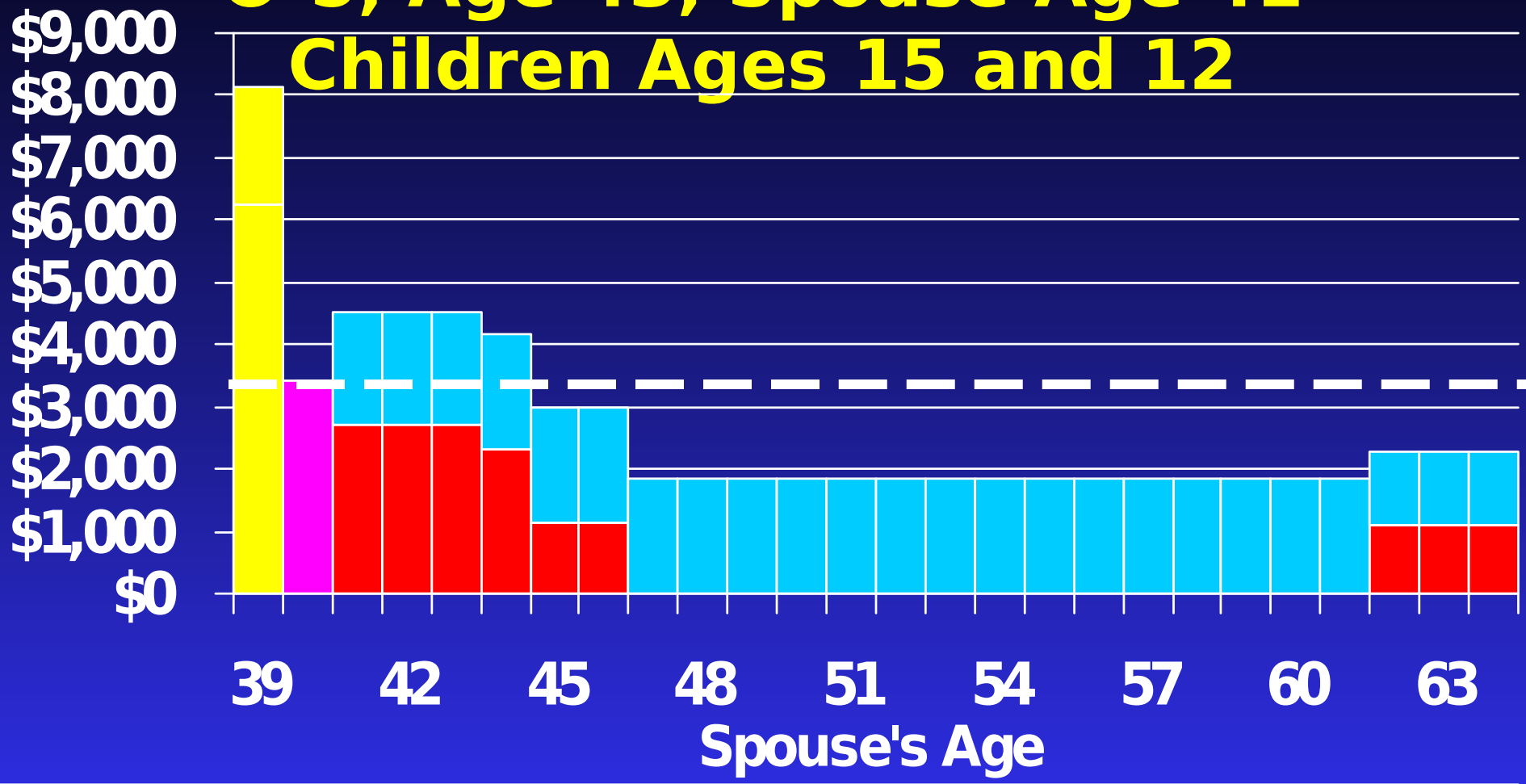
Death In Retirement, Not Service Connected

O-5, Age 43, Spouse Age 41
Children Ages 15 and 12



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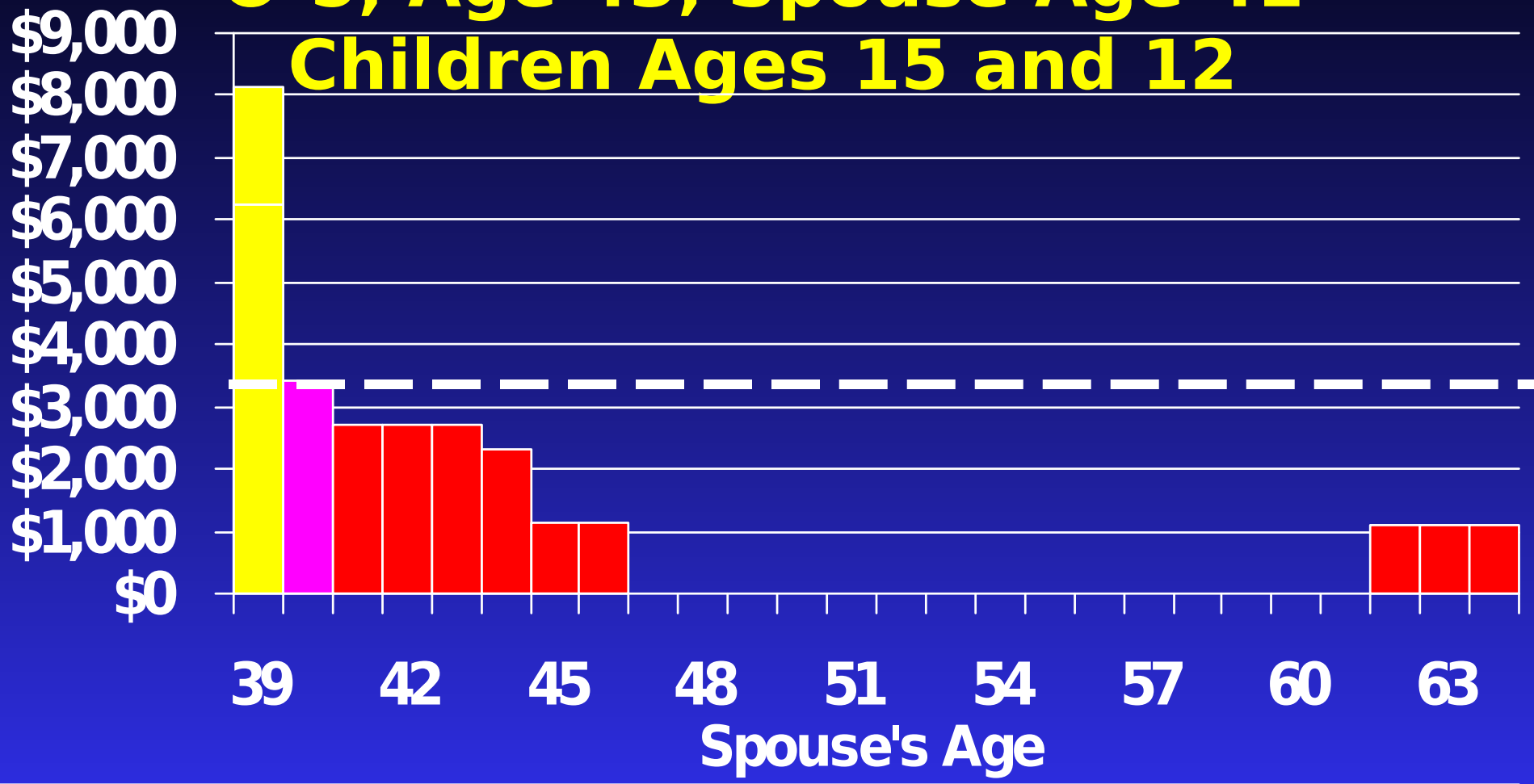
Death In Retirement, Not Service Connected

O-5, Age 43, Spouse Age 41
Children Ages 15 and 12



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VA Survivor Benefi

Active Duty or Service Connected Death

DIC

DEA

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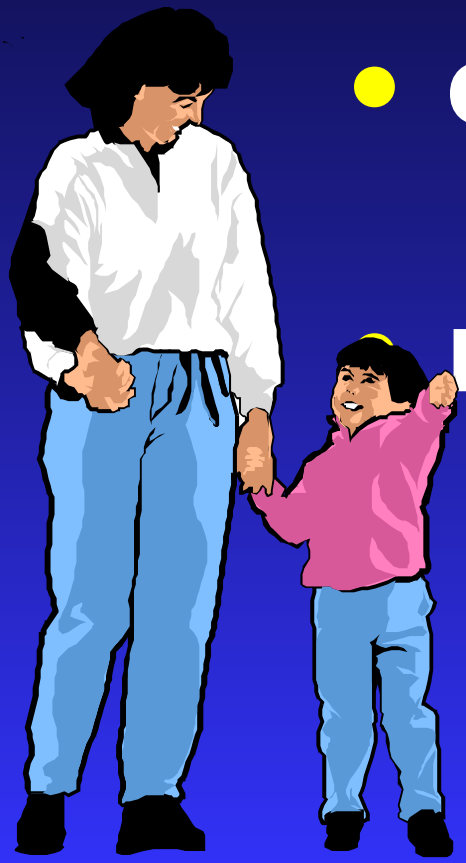
VA DIC Eligibility

- Spouse
- Children
- Dependent Parents



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Spouse DIC

$967 per month

- Tax Exempt
- Unmarried
- Remarriage after age 57

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DIC - Surviving Children

- Spouse receiving DIC
  $241 per month for each child
- No eligible spouse

Monthly

One child	$410
Two children	$590
Three children	$767
Over three children	
add $148 for each child	

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DIC - Surviving Children

- Supplementary DIC
  - -$205 per month
  - -Between ages 18-23
  - -Post secondary Education
  - -Unmarried

- Disabled children over age 18

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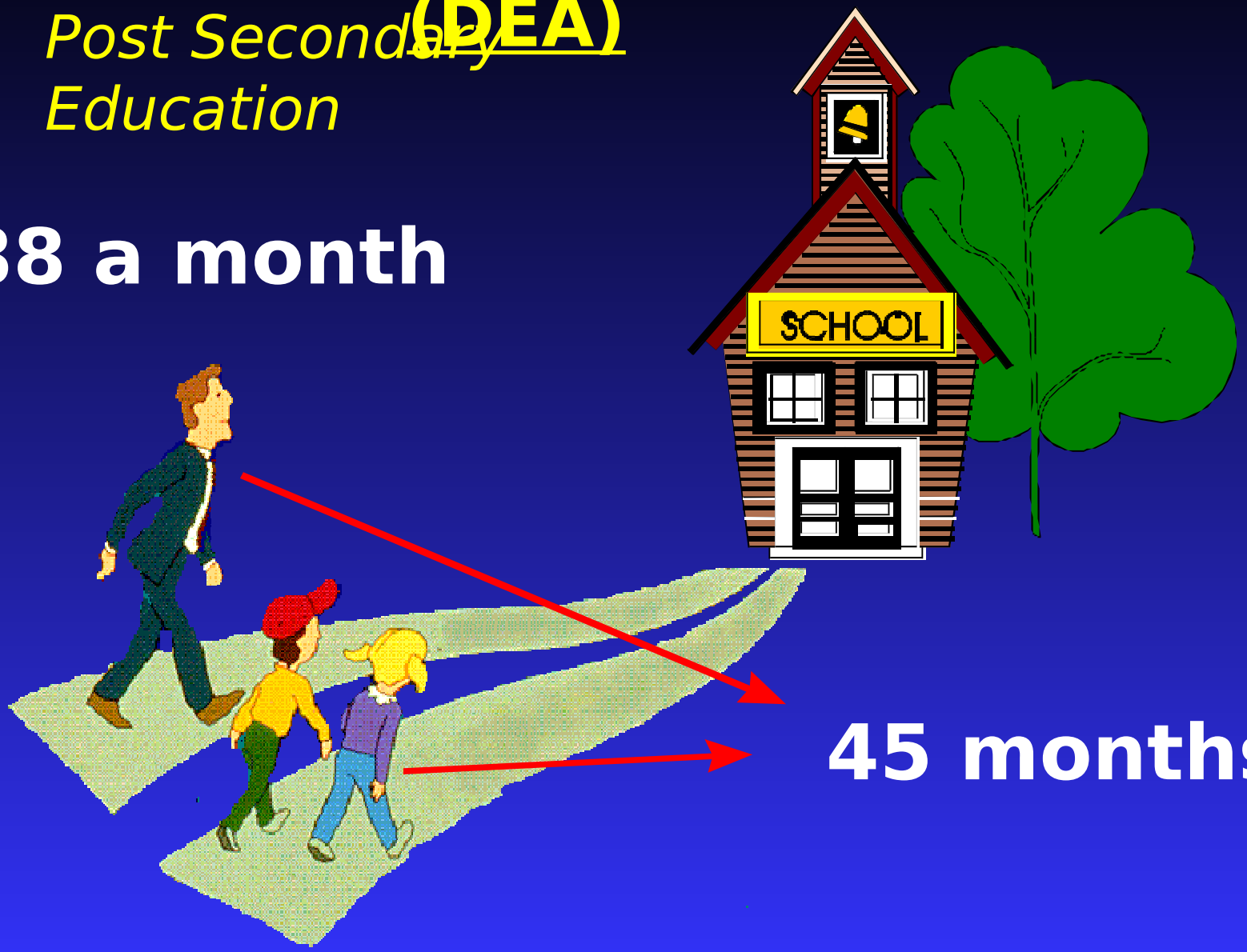
Dependent Education Assistance (DEA)

Post Secondary Education

$788 a month



45 months

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Active Duty Death

Service Death Gratuity..... $12,000

Housing Allowances .....180 Days

Medical/Dental Coverage .....3 Years

SS Lump Sum Death Benefit

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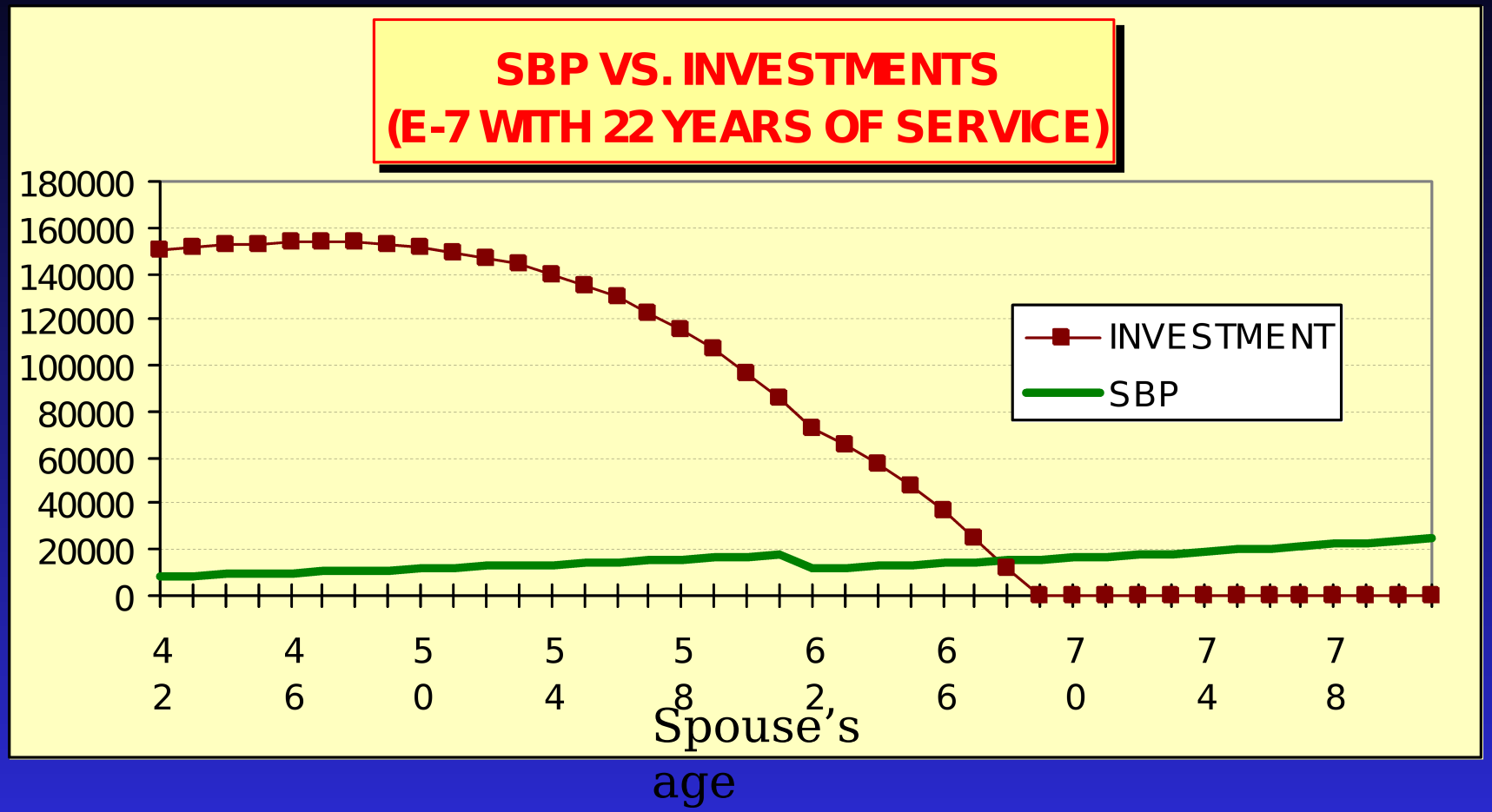
Insurance vs SBP



Assumes 6.75% investment percentage with 4% C

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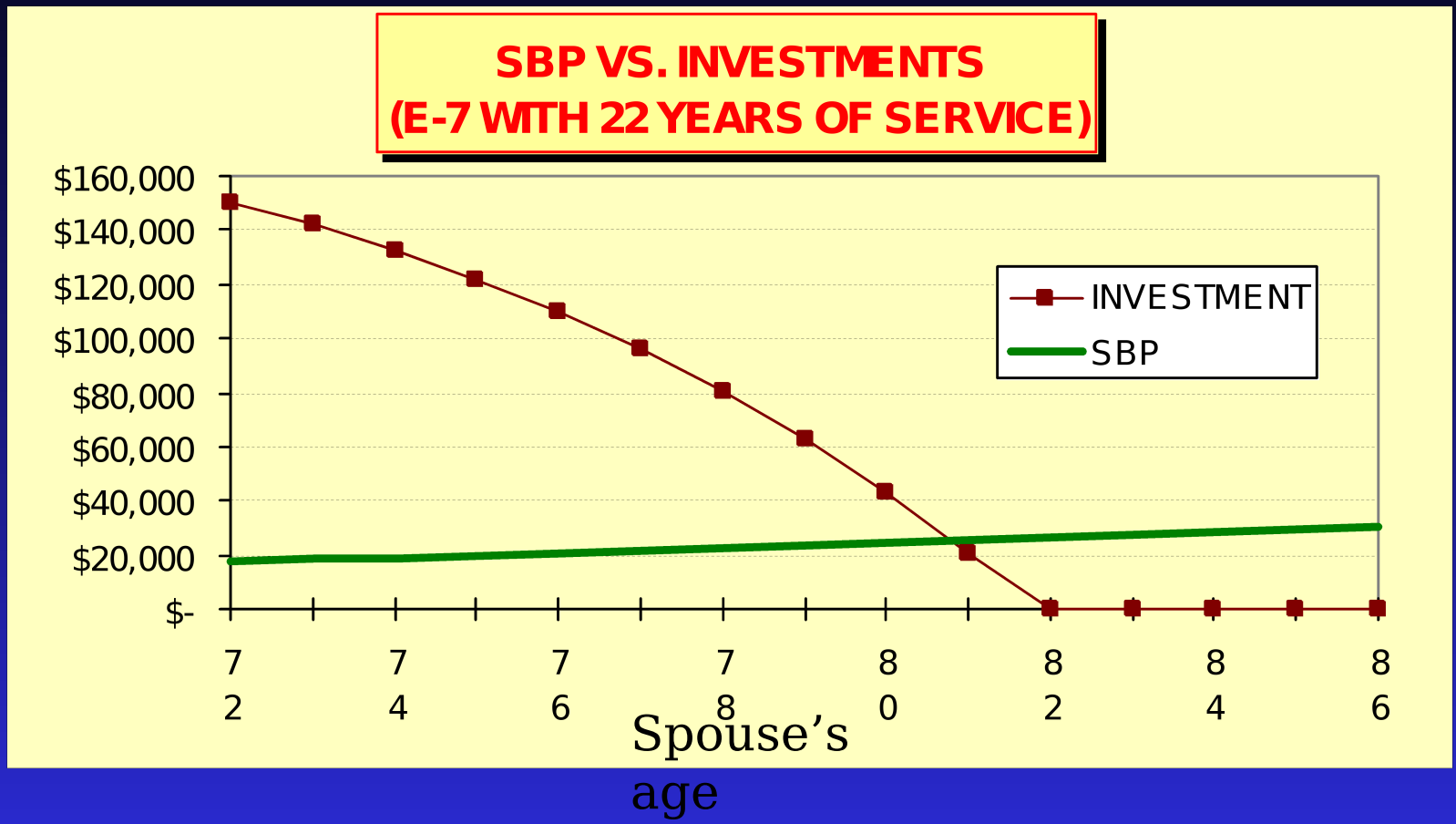
Insurance vs SBP



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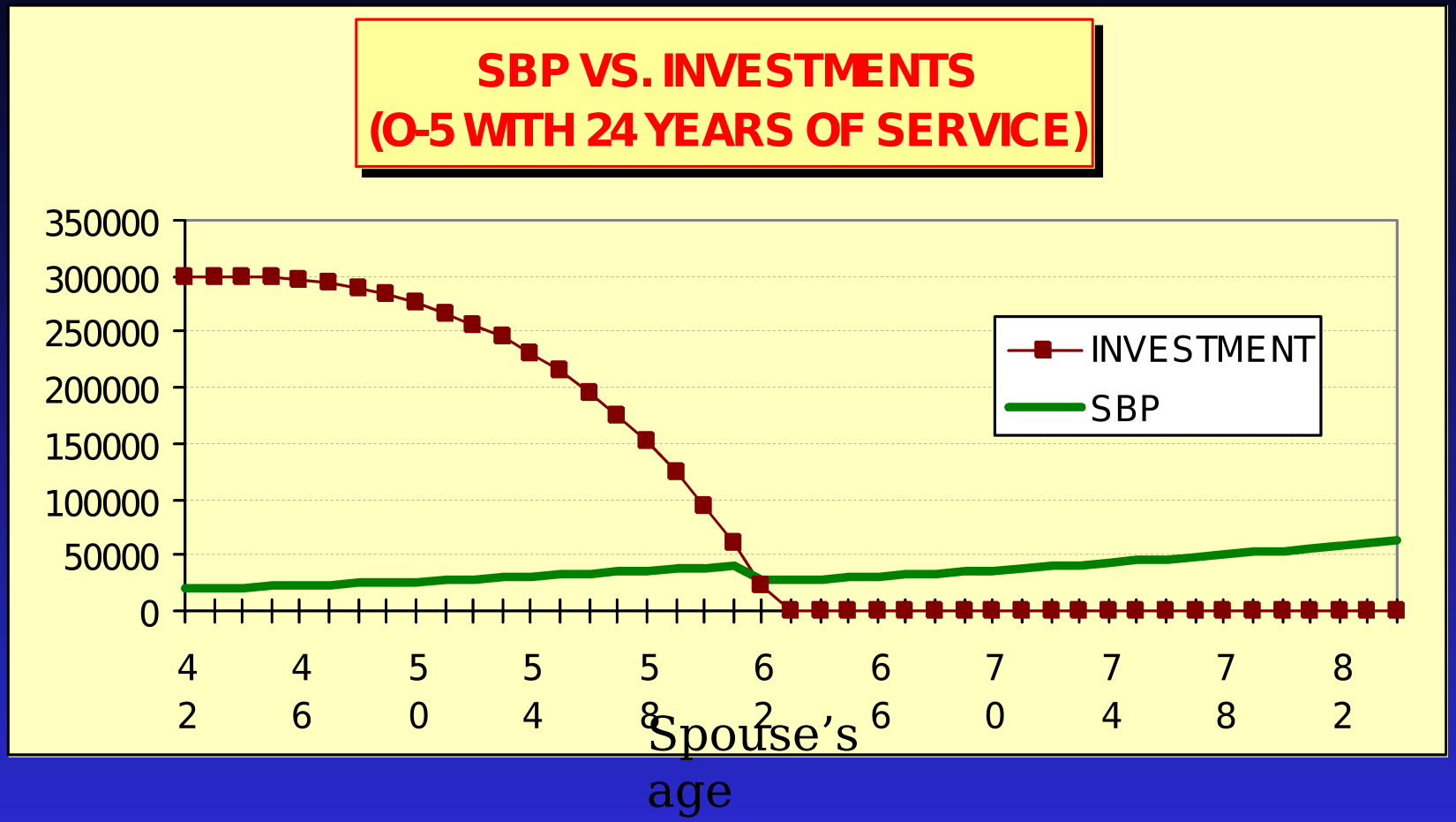
Insurance vs SBP



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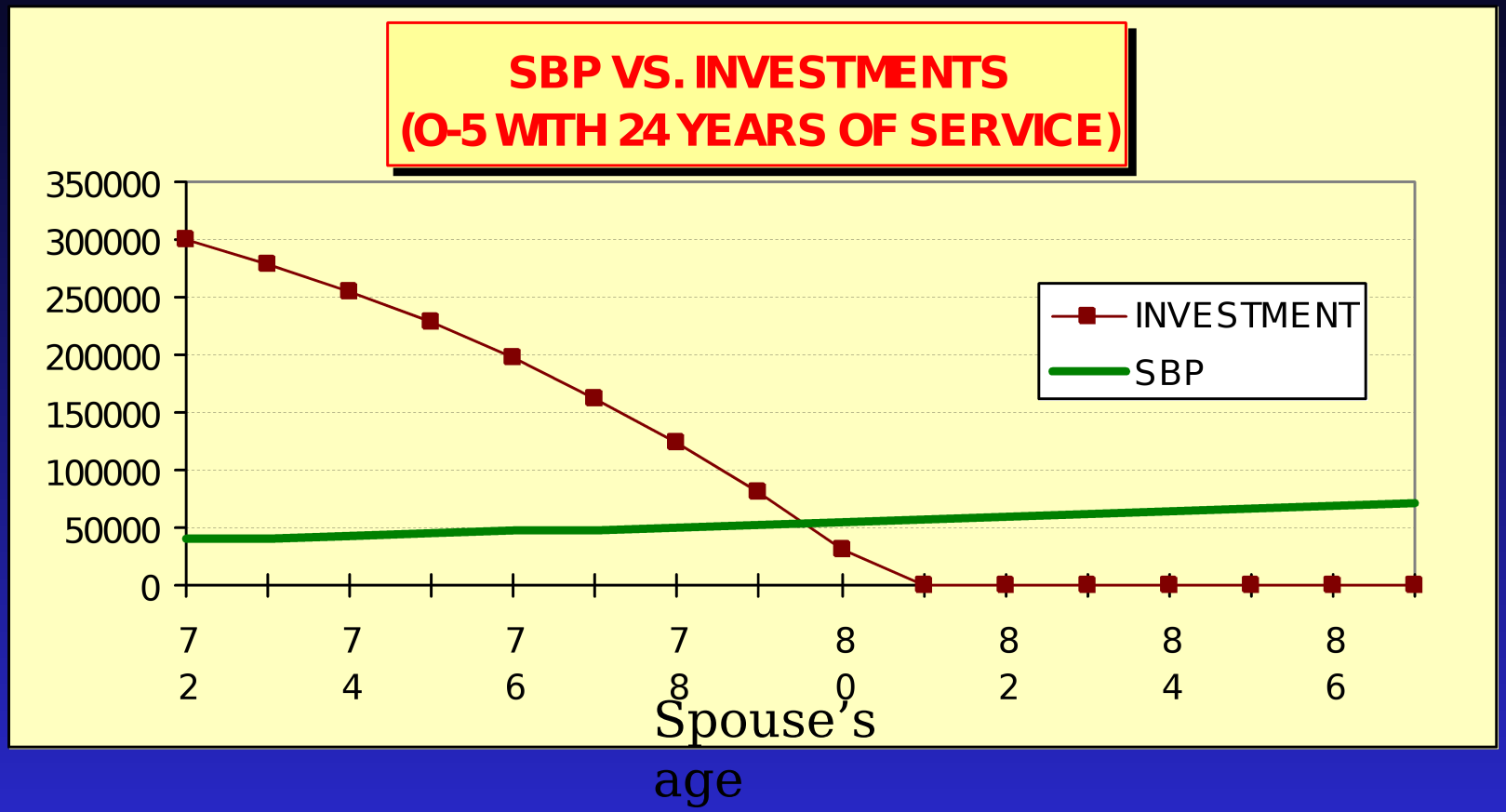
Insurance vs SBP



Assumes 6.75% investment percentage with 4% C

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